Towards Zero Fashion Waste Market Study Sector Report

July 2022

Textile & Fashion Federation (Singapore)

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The Fashion & textile sector has an outsized environmental impact, with GHG emissions making up c.7% of total global emissions

Global fashion industry environmental impacts

The fashion industry has an outsized impact on the environment…

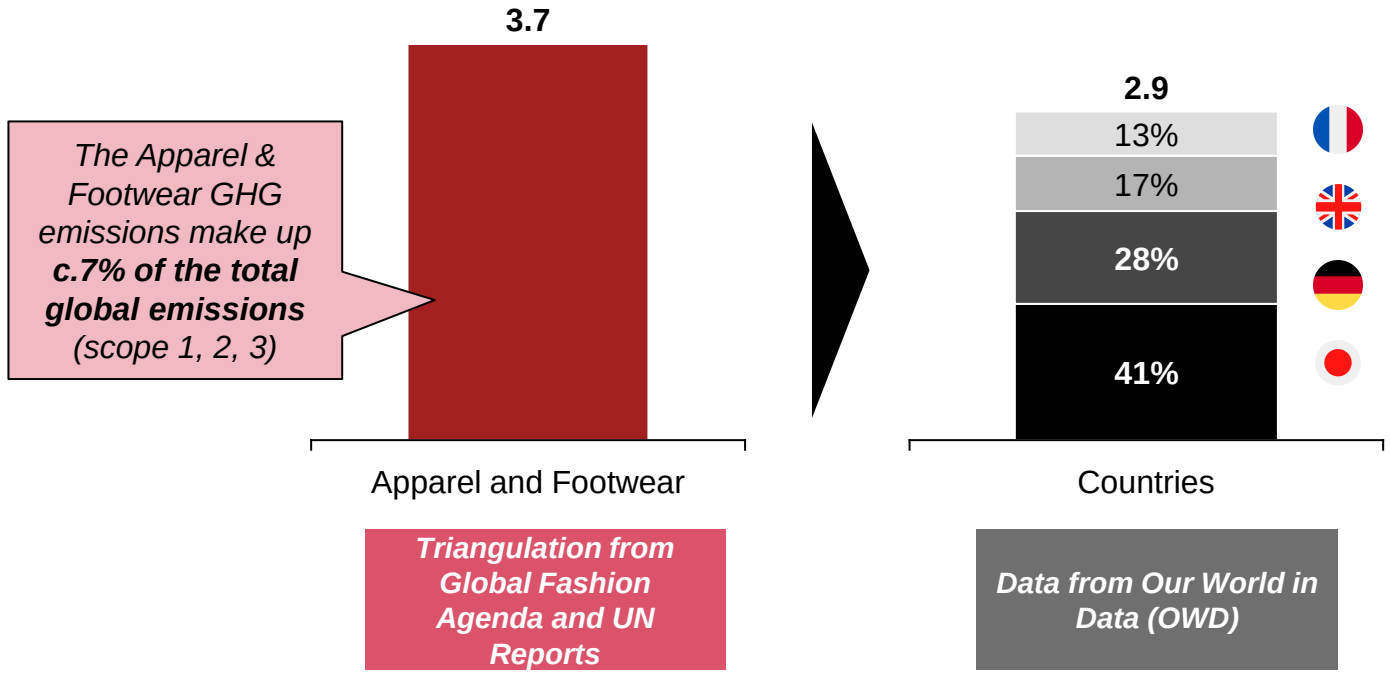
- **1.5 trillion litres of water** are used by the fashion industry annually
- **200 tons of fresh water** is needed to dye one ton of fabric

- **23 kg of greenhouse gases** are generated for each kilo of fabric
- **70 million oil barrels** are used each year to produce polyester

- **1 kg of chemicals**[1] are used to produce 1 kg of textiles
- **23% of all chemicals**[1] used worldwide are for the textile industry
- **190,000 tons** of microplastics end up in the ocean each year

… with an GHG emission impact larger than that of 4 major nations…

Comparison of Global Apparel & Footwear GHG emissions and total country emissions % - France, United Kingdom, Germany and Japan (2018)
In bn tonnes CO2eq



Source: Global Carbon Project (Our World in Data), International Maritime Organization, Global Fashion Agenda, United Nations, Sustain Your Style, Textile Exchange, Press Search

Status quo is not an option. Several drivers are signalling the urgency for the industry to transform itself

Sustainable textile market

1 Changing customer preferences

- **Unethical practices and scandals** by upstream manufacturers have impacted the Fashion industry over the last few years
- **Covid-19 has accelerated the awareness and demand for sustainable fashion products**
- Moving towards sustainable products has become more **strategic for brands to maintain relevance or defend price positioning**

2 Investors and credit ratings push

- **Easier access to funding is granted for companies implementing ESG strategies** with investment professionals increasingly demanding ESG-related strategies to be embedded prior to investing

3 Changing regulation and policies

- **Regulators and industry-led bodies, mainly from EU, US, China,** are taking steps to encourage stronger actions towards sustainability in the Fashion industry
- The industry is also coming up with **gold standards / certifications** to provide customers with **trusted benchmarks** and avoid **"greenwashing" image**

4 Growing apparel and fashion market

- The global Fashion market is forecasted to grow at 6% CAGR in the next 5 years, further driving the need to pay close attention to its impacts
- **Rising middle income populations** will continue to drive demand of apparel
- **Favourable growth of e-commerce channels** facilitates the ease of purchasing, enhancing the accessibility of apparel purchase to consumers

5 Limited transformation so far

- **A minority of brands have put sustainability as part of their strategy**
  - Example: only 8% of brands in France put sustainability at the heart of their strategy and acted on sustainability initiatives
- **Efforts to promote recycling have been limited**
  - Less than 10% of global fibres are recyclable

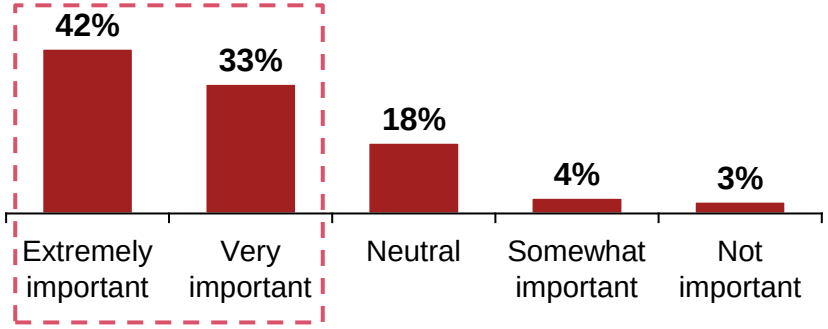
These key drivers are urging the Fashion industry to act and decarbonise its value chain, both from a defensive and offensive perspective

Source: Fibre2Fashion, Euromonitor, Press Search

Moving towards more sustainability is strategic for brands to stay relevant and in-tune with changing consumer preferences

Sustainability's importance as a KPC for consumers is growing in significance…

Sustainability importance when purchasing fashion products, *In % of respondents*[1]



- **Strongest triggers** for change are **awareness of climate change efforts** (c.50%[1]) and **natural disaster events** (c.49%[1])

- Awareness is further driven by **increased social media content** and **availability of online resources** regarding sustainability

… prompting brand owners to expand sustainability initiatives so as to maintain brand relevance and capitalise on strategic benefits

Key drivers for brand owners to focus on sustainability *(non-exhaustive)*

To develop a socially responsible image

- Brands are trying to **avoid scandals** that **depreciate brand value** in the public's eyes and **distance themselves** from **poor ethical practices**
- This is further accelerated by **growing consumer awareness** of **clothing practices**, exacerbated by **the media and influencers**

To defend price positioning

- Brands perceived as **"socially responsible"** or **"purpose-driven"** are often able to **strengthen and/or defend its price positioning**
- Brands that communicate the use of **higher quality / more sustainable raw materials** are often able to **command a premium** on its products (e.g. willing customers typically accept a **~25% premium** on average[2])

To expand into new growth segments

- As consumer awareness and priority on sustainability **continues to grow**, demand for **sustainable fashion products** is **expected to increase**
- Large global brands are **capitalising** on this opportunity to expand its growth into new sustainable segments (e.g. H&M COS Resell in UK)

> *"We are trying to raise awareness of circular business models and **drive them** into the **core of the Group's business.** Our main focus to succeed with these new business models is to meet **changing customer behaviours**."*
>
> **- Strategy Lead for Circular Business Development, H&M**

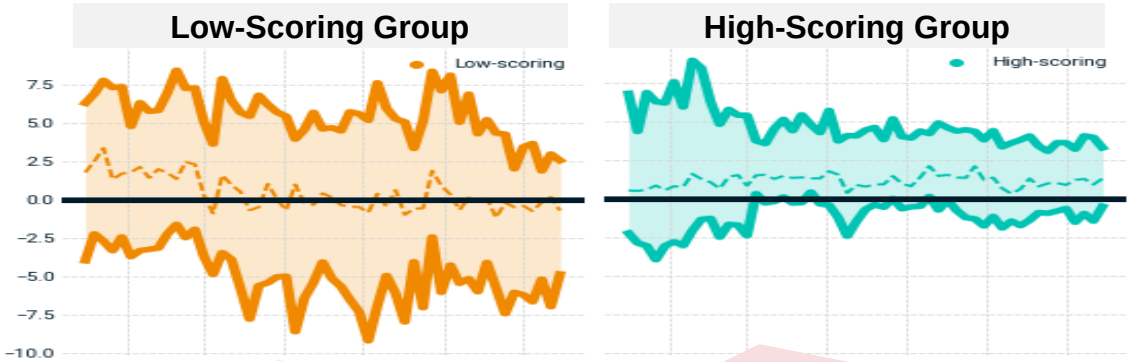
Notes: (1) "Pulse of the Fashion Industry" study conducted in 2019 by BCG, with 2,972 respondents across US, UK, France, China and Brazil; (2) Global Sustainability Study conducted in 2021 by Simon-Kucher & Partners surveying consumer's attitudes towards sustainability and willingness-to-pay. Total of 10,281 survey respondents across 17 countries, including US, EU, Japan, UAE
Source: BCG Sustainability survey (March 2019), Simon-Kucher & Partners Global Sustainability Survey 2021, Press search

Access to funding is increasingly granted to companies implementing ESG strategies by investment professionals

Investment professionals are increasingly demanding ESG-related strategies to be embedded prior to investing[1]

*MSCI indicates that corporate green bonds tend to offer **yields 0.02% lower (indicating lower interest rates)** than comparable non-green corporate bonds*

Comparison of Green Bond Yield Spreads[2] between low and high environmental-scoring[3] groups of companies
In basis points



- **The narrower gap (narrower yield spreads)** indicates **lower interest rates** and **cheaper cost of borrowing**
- Appears **primarily driven by high bond prices** from **high investor demand**

… while financial stakeholders are closely monitoring companies' ESG practices[2]

91% — **91% of banks monitor ESG**, along with 24 global credit rating agencies, while 71% of fixed income investor and over 90% of insurers doing the same

67% — **67% of banks screen their loan portfolio** for ESG risks

34% — **34% of ESG-related actions by S&P Global Ratings** between April and August 2020 **were downgrades**

33% — **33% of private sector rating actions published by Moody's** in 2019 **cite ESG risks as material credit considerations**

Source: (1) PwC 2021 Global Investor ESG Survey of 325 investment professionals across 43 territories along with additional 40 in-depth conversations with investors and analysts in 11 territories to understand their opinion on ESG and its role in their investment decisions, (2) Gartner

Countries across SEA are beginning to form national ambitions around sustainability. Textile-specific regulations are for now limited…

Overview of regional sustainability initiatives

Regulations / committed targets in place

Non-exhaustive

Sustainability-linked initiatives and targets across ASEAN

	Net Zero	Carbon tax	Renewable targets[1]	Nature
Brunei		Implemented by 2025	**~30%** by 2035	Increase forest reserves to **55%** by 2030
Cambodia			**~25%** by 2030	Increase forest cover to **60%** by 2030
Indonesia	2060	Carbon tax implemented, ETS[2] under consideration	**~48%** by 2030	
Laos	2050		**~30%** by 2025	Increase forest cover to **70%** by 2030
Malaysia			~**40%** by 2035	
Myanmar			**~11%** by 2030 (non-hydro)[3]	
Philippines			**~38%** by 2035	
Singapore	2050	Carbon tax implemented in 2019	**~15%** by 2030[4]	
Thailand			**~30%** by 2030	Increase forest cover to **55%** by 2037
Vietnam		ETS[2] to take effect in 2022	**~32%** by 2030	Increase forest cover to **42%** by 2030

Recent sustainability landmark announcements

2020

- **Jul** – Brunei to make **carbon pricing centrepiece** of climate strategy
- **Nov** – Announced a **moratorium** on **greenfield coal power plants**
- **Nov** – Pioneers **post-pandemic carbon pricing**

2021

- **Feb** – Launched the **Singapore Green Plan 2030** to advance national agenda on sustainable development
- **Apr** – ASEAN Taxonomy Board kickstarts development of **regional sustainable financing framework** and **transition taxonomies**
- **May** – **Global carbon exchange** (CIX) launched in Singapore
- **May** – Announced plans to **stop building coal-fired power plants** from 2023
- **Jun** – Indonesian government proposes **$5 per ton carbon tax** to reduce carbon emissions and meet overall climate targets
- **Jul** – Singapore Exchange (SGX) is the **first Asian exchange** to commit to 1.5°C science-based emission reduction targets
- **Aug** – Indonesian government sets **net zero emissions targets by 2060** ahead of COP 26

Note: 1) Refers to installed capacity targets, not power supply/generation; 2) Emissions trading schemes; 3) Unconditional target for non-hydropower renewables; 4) Based on 2GWp solar capacity target by 2030 as % of estimated total power capacity of ~13.8GW
Source: Bloomberg, Jakarta Post, Straits Times, Reuters, The Edge, Bangkok Post, IEA, UNFCCC, ASEAN Energy, Global Data, CAN, Business Inquirer, Press search

… but evolving global regulations and industry-led initiatives will gradually push the industry towards more sustainable practices

Overseas initiatives – Key regulations and policies

Non-exhaustive

International comparison – Regulatory lens

A Standard setters (Global / Regional)

- **Higg Index** (Sustainable Apparel Coalition)
  - Launched in 2011 by the Sustainable Apparel Coalition (SAC), a global alliance for the fashion industry
  - Higg Index is a set of 5 tools which allows a standardized reporting of the environmental impact from fashion products and its value chain
- **ESRS[2]** (EFRAG)
  - Developed by EFRAG and currently in the consultation stage, ESRS is a non-textile specific sust. reporting standard with 23 disclos. sets (>100 data points)
  - The ESRS will be used by financial institutions in the EU to assess players
- **Roadmap on Sustainable Textiles**
  - Developed by the EU Commission, adopted in 2022, the roadmap sets out a set of strategies that aims to shift textile products placed in the EU market to be more circular and sustainable by 2030

B National regulators

- **Germany**
  - Launched a nationwide standard label "Green Button" in 2019 which aids consumers in finding sustainably produced textiles
- **China**
  - Revised the nation's EPT & WPPCL in 2018, enforcing strengthened tariffs for non-compliance to curb pollution impacts from manufacturers
- **France**
  - Pioneered EPR policy and introduced a public-private collaborative approach in 2007 which developed a leading textile waste management model
  - Introduced a ban on unsold textiles in 2022 to facilitate adoption of a circular economy

C Industry-led (e.g. associations)

- **CFP[1] – Bangladesh** (BGMEA, C&A)
  - Launched in 2020, the Circular Fashion Partnership (CFP) facilitated recycling collaborations across the value chain
  - Utilized a textile waste tracking and matching platform (by Reverse Resources)
- **SCAP & Textiles 2030 – UK** (WRAP)
  - Launched by WRAP in 2012, SCAP is an industry wide sustainability plan; includes upstream, consumer and downstream initiatives
  - Textiles 2030 is an ongoing 10-year agreement aiming to reduce UK's textile industry carbon footprint by 50%
- **Circular Fashion System – Global** (C&A)
  - Launched in 2017 by Global Fashion Agenda, the commitment comprises of 4 key sustainability actions across the design and post-use stage with c. 90 signatories worldwide

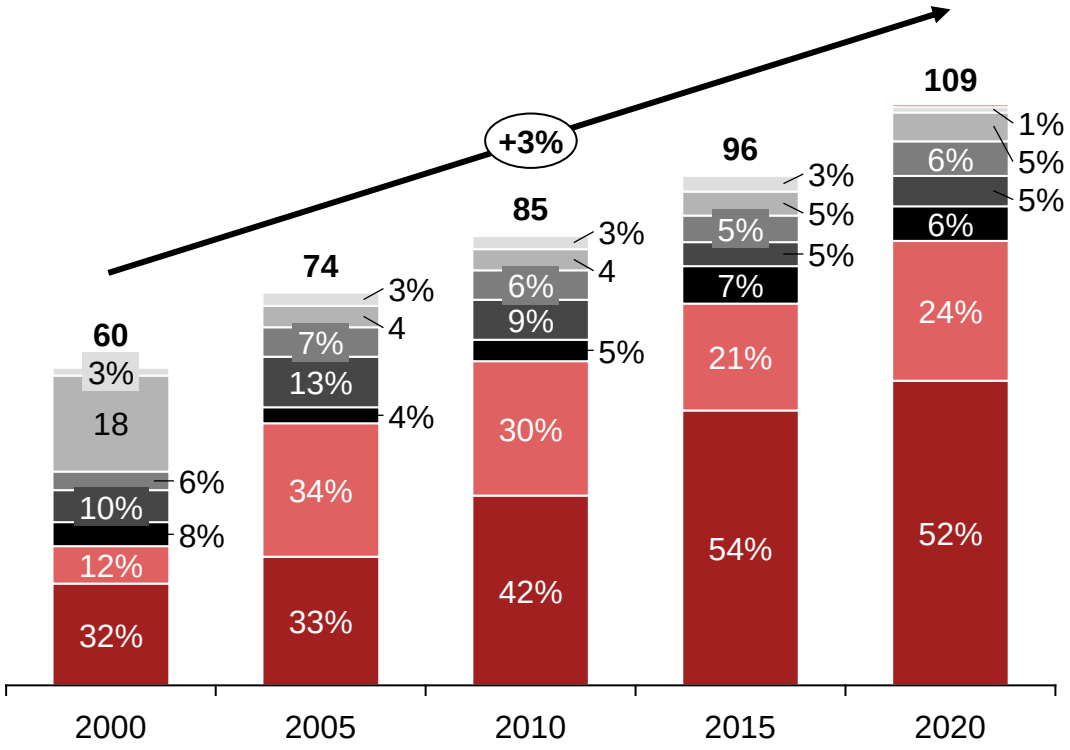
D City-level initiatives

- **NYC Fashion Act**
  - Drafted a transparency bill (Fashion Act) for the fashion industry in 2022 for large global apparel brands in New York
- **Paris Good Fashion (PGF)**
  - Launched in 2019 by the Paris mayor, PGF is a roadmap with action plans covering major green fashion themes
- **Copenhagen Fashion Week Sustainability Action Plan**
  - Launched in 2020 by the Copenhagen Fashion Week, the action plan lays out sustainability requirements that brands must fulfil to be part of the event
- **Circular Berlin Initiative**
  - Launched in 2018 and funded by European Institute of Innovation and Technology (EIT), involves commercial and non-commercial circularity development projects for various sectors (incl. textiles)

Notes: (1) Circular Fashion Partnership; (2) EU Sustainability Reporting Standard
Sources: Press Search

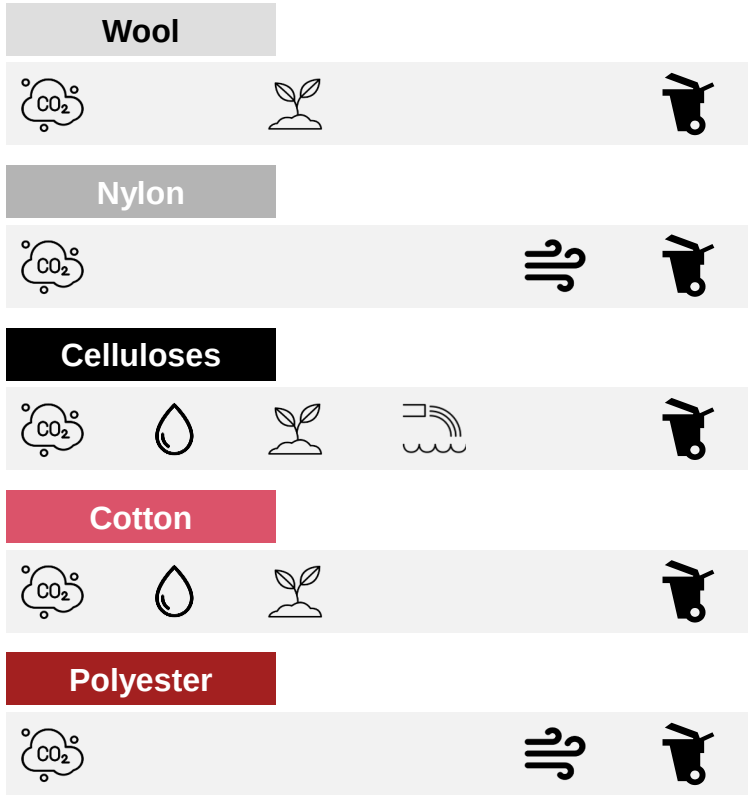
World textile production has grown strongly historically with the boom of Polyester and Cotton, both with high CO2 emissions footprint

World Fiber Production (1990-2020)
In million tonnes



	CAGR 00-10	CAGR 10-20
Wool	+5%	-9%
Nylon	-14%	+3%
Other plant fiber	+5%	+2%
Other synthetic fiber	+2%	-3%
Celluloses	-1%	+5%
Cotton	+14%	+0%
Polyester	+6%	+5%

Main environmental impacts generated by fibers

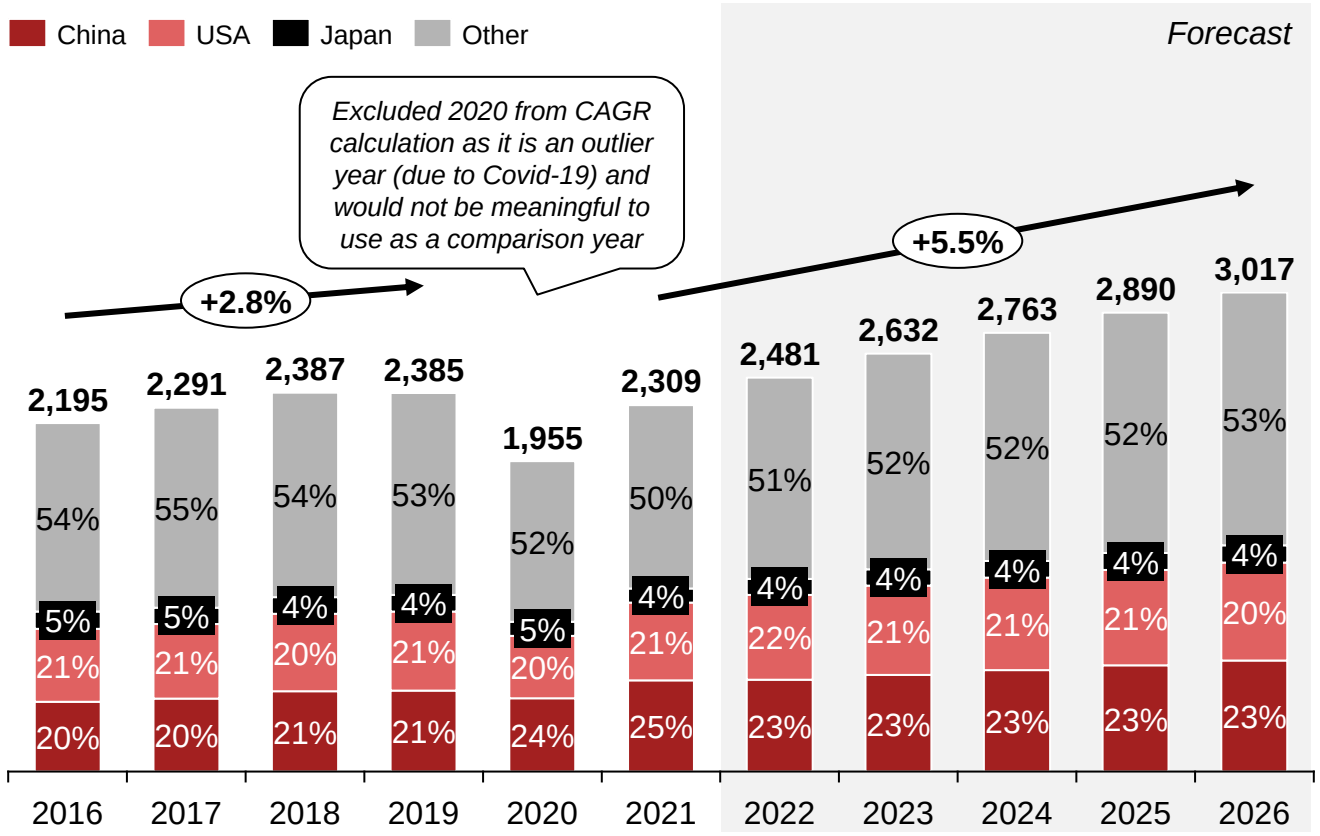


Legend: GHG emissions · Water consumption · Land use · Water pollution · Air pollution · Waste generation

Source: TextileExchange (Prefered Fibre & Materials Market Report 2021), WRI, Fondation Ellen MacArthur, BFM

The global Fashion market is forecasted to grow at 6% CAGR in the next 5 years, further driving the need to pay close attention to its impacts

Global Apparel & Footwear Market (2016-2026)
In SG$bn



Market Drivers

Rising middle class

The middle class population[1] grew by c.>300% to 1.7bn from 2000-2020, expanding the pool of affording consumers

Enhanced perceived affordability

Increasing perceived availability of affordable apparel driven by growing adoption of flexible financing e.g. BNPL[2] is estimated to increase retail conversion by 20% to 30% and lifts average ticket size between 30% to 50%

Growing eCommerce popularity

Online shopping drives improved accessibility and convenience, aligned with changing consumer preferences as the market is expected to grow by 7.2% CAGR over the next 5 years

Notes: (1) Defined as adults whose assets amount to between US$10,000 to US$100,000; (2) Buy Now Pay Later
Source: Euromonitor, RBC Capital, Press Search

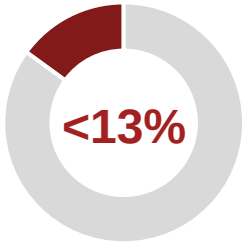
The majority of brands recognize the need for more sustainable practice, but too little progress has been made by the industry so far

While more than half of global fashion brands are advocating for sustainable practices

60% of key executives surveyed mentioned that implementing sustainability measures is one of the main strategy for their organizations

… but only a fraction of textile companies have committed to putting sustainable actions into practice

The large majority of fibres used in today's textiles are non sustainable



Sustainable fibres are less than 13% of the global production

Of which <7% fibre is recycled
Of which <1% is organic

<1% of fashion textile is recycled to redo fashion textile

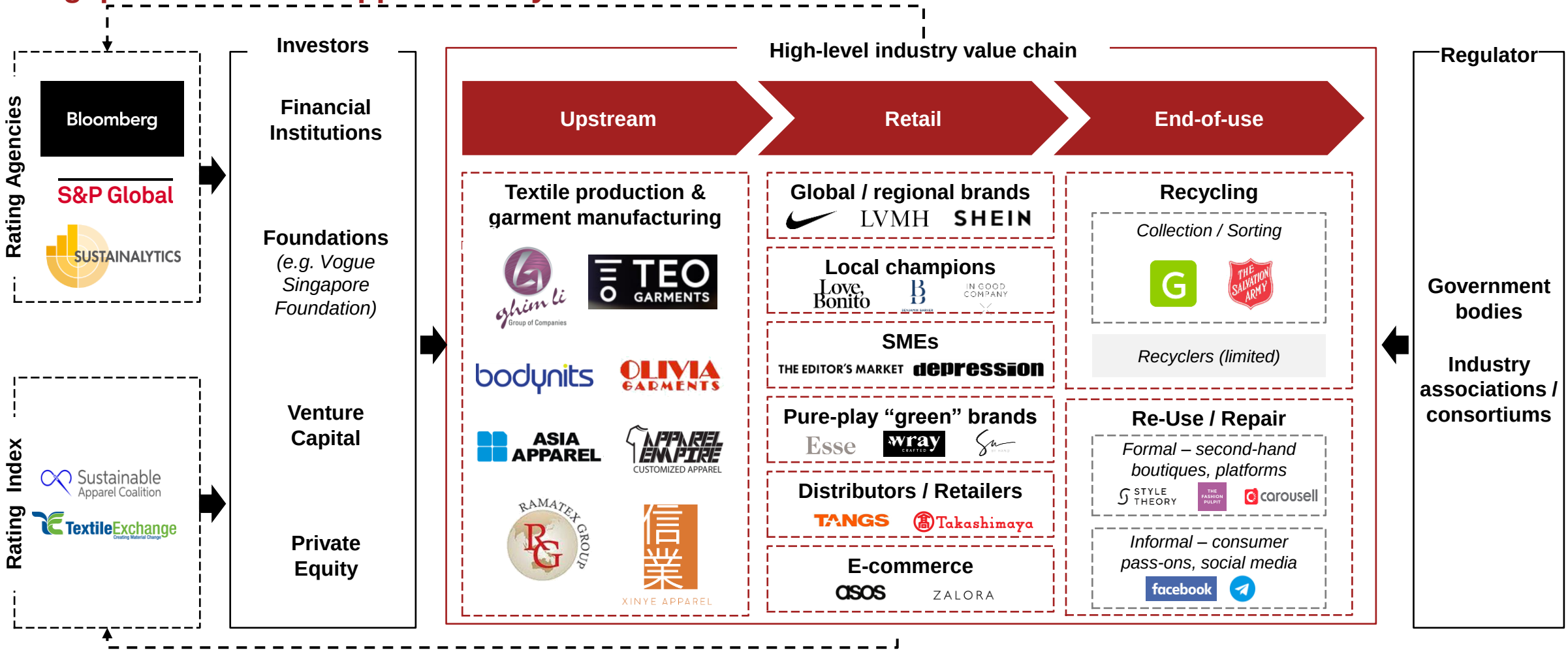
Only 8% of brands in the France textile industry have placed **sustainable development at their heart of their strategy** in 2020

Note: (1) 2019 Joint Report by Global Fashion Agenda, Boston Consulting Group and Sustainable Apparel Coalition to measure the improvement of social and environmental performance of the fashion industry
Source: EIU Survey

New initiatives to transform the industry should take into consideration the key players of the Singapore ecosystem

Singapore textile and apparel ecosystem

Non-Exhaustive



Source: Press search

Our industry consultation also identified further specific challenges to be taken into account into this transformation journey

Not exhaustive

Textile recycling appears difficult for now

Lack of Large-scale Collection and Sorting: Coordinated collection and sorting can be costly while space to store and sort remain in scarcity.

Material Separation Difficulties:

- High proportion of garments made from material blends such as cotton and polyester lead to difficulty in separating

Lack of Traceability:

- Absence of sufficient data on composition of textile material and chemical content of feedstock render high-value recycling opportunities unattainable

> *"Recycled polyester is not as durable compared to virgin polyester, and in most cases, breaking down the materials during recycling weakens the end-product."*
>
> **- CEO, local champion and brand in Singapore**

Customer views on re-use and price sensitivity

> *"Price is the key purchase criteria for most customers, sustainability factor is an added bonus. Recycled materials cost a lot more, could be 50% higher, if not double. It is a huge stumbling block as most customers are not willing to pay."*
>
> **- CEO, large garment manufacturer in Singapore**

> *"There is a certain stigma surrounding used clothes, especially in Singapore. Customers tend to be quite sensitive around various factors – hygiene, poorer quality due to previous use or even being out of style as they are mostly from previous seasons. It's just not for everyone. "*
>
> **- CEO, local second-hand fashion platform in Singapore**

> *"Comfort remains the key purchase criteria for our customers, sustainability is secondary. We need to allow customers to feel the comfort of our material to charge a price premium and sustainability is a value-added choice."*
>
> **- CEO, local champion and brand in Singapore**

Lack of ESG talent and understanding of ESG issues

> *"We have a green team but the vice-president of the green team is hired from external industry to help us kickstart sustainability initiatives while overseeing the team."*
>
> **- CEO, large garment manufacturer in Singapore**

> *"The industry has a shortage of ESG talent with knowledge to develop a sustainable supply chain; where elements of right design, brand building, marketing and partnerships are required."*
>
> **- CEO, local second-hand fashion platform in Singapore**

> *"Brands are faced with increasing need to go through ESG audits and more often than not, smaller brands do not have the necessary resources to cater towards these audits."*
>
> **- CEO, local champion and brand in Singapore**

Key focus of the study has been on GHG emissions and potential abatement levers for Singapore

Negative environmental impacts generated by the textile industry

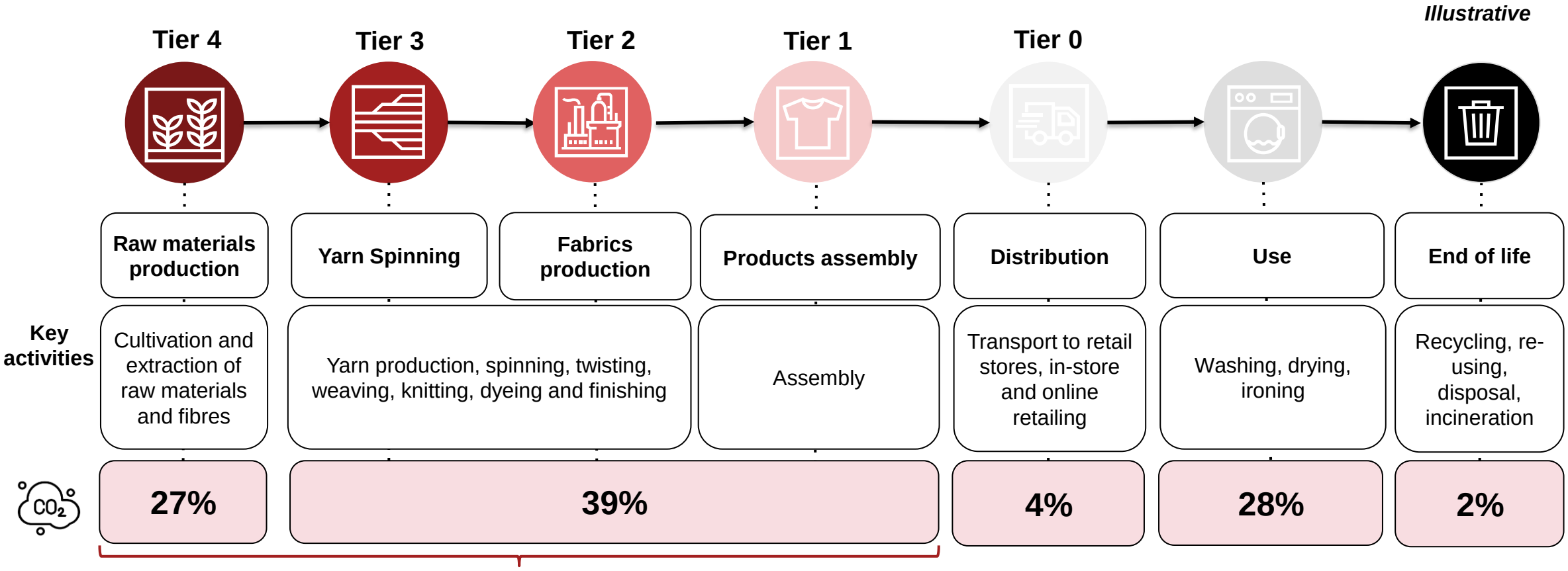
Focus of the study

Other impacts

Greenhouse gas emissions	• **CO_2 equivalent emissions,** in particular linked to the use of fossil resources (energy used in transport, production, washing or the end-of-life of the textile). Other Greenhouse Gases such as CH_4 are directly converted into CO_2 emissions equivalent (CO_2 eq.)
Water consumption	• **Watering and irrigation of fields** (especially for cotton or livestock) • **Production process** • **Washing when using textiles**
Land use	• **Fields** necessary for the production of textiles (cotton in particular), to the detriment of natural areas • **Fields needed** for animal feed
Air pollution	• Production of **harmful gases** during the production or end-of-life phases • **Product transport** over the entire product life cycle
Water pollution	• **Use of insecticides and pesticides** that pollute groundwater (raw materials) • **Use of chemicals**, including for leather processing (production) • **Micro-plastics** dumped into the oceans (washing of synthetic textiles)
Waste generation	• Production or end-of-life product **waste** • **Packaging and transport** of textiles • **Landfill or incineration** of products

The carbon footprint associated to a new fashion product mostly comes from upstream production

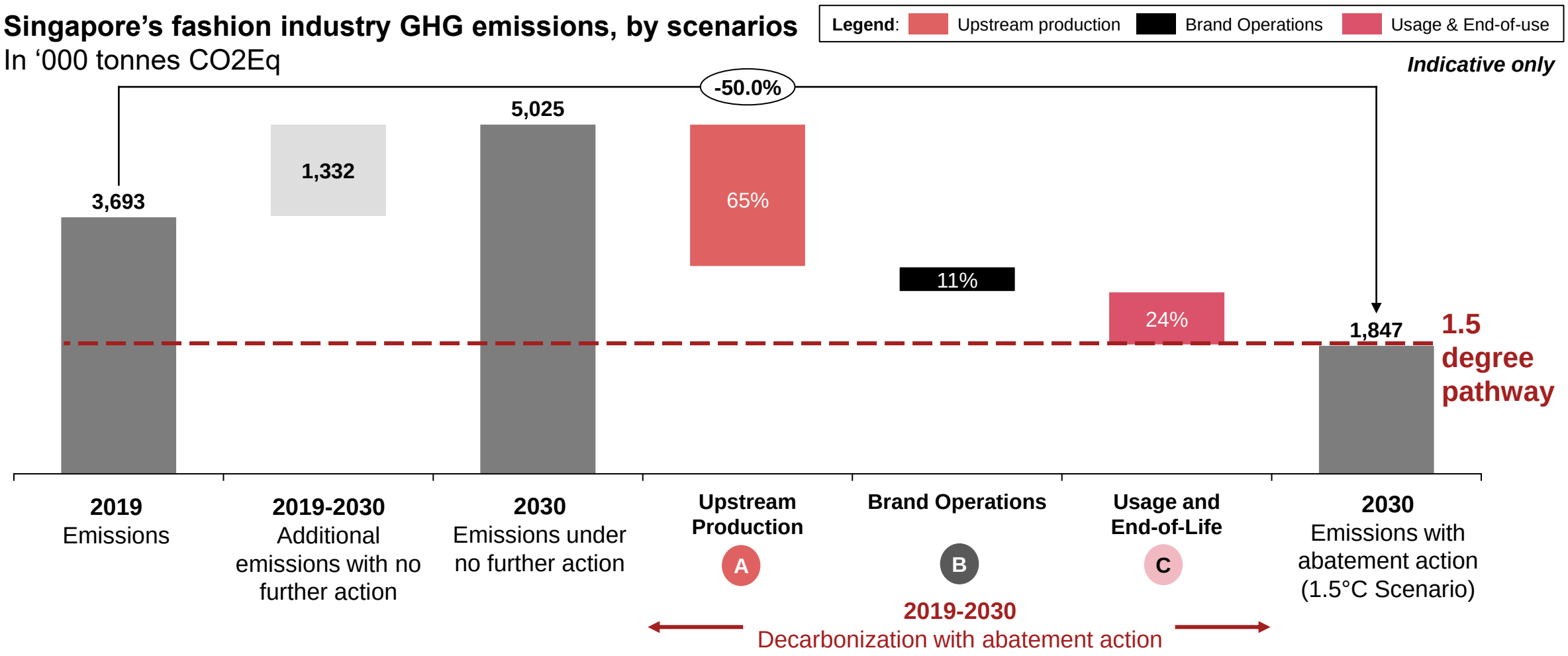
Life cycle GHG emissions of a new product purchased in Singapore along its value chain



Note: Variance can reach plus or minus 10% per stage, includes Scope 1, 2 and 3 emissions from Singapore
Source : Payet, J. (2021). Assessment of the Carbon Footprint for the textile sector in France using Life Cycle Assessment. Sustainability (ISSN 2071-1050; CODEN: SUSTDE). MDPI publisher. Date of submission: 13 January 2021. Adapted to Singapore energy mix based on IEA. Strategy& analysis, McKinsey & Company and Global Fashion Agenda – Fashion on climate report. 2020..

Singapore emissions would need to decrease by 1,846 kilo-tonnes (50% from 2019 levels) to align with the global 1.5°C pathway scenario

Singapore's fashion industry GHG emissions, by scenarios
In '000 tonnes CO2Eq



Source : Literature review, Thredup – Resale report 2021

Abatement initiatives have been identified through our best practices review along the value chain

Indicative only

Legend: H Higher M Medium L Lower

A Upstream production

	Key lever	Example initiative (s)	Abatement estimate[1]	Accessibility
A1	De-carbonisation of energy mix	a) Generating on-grid RE power, purchase off-grid RE b) Switch to alternative fuel sources (e.g. gas)	~30%	M/L
A2	Coal phaseout: dry processing	a) Reduce wet pre-treatment, reduce wet dyeing and finishing	~19%	L
A3	Increase sustainable material mix	a) Growth in use of preferred cotton b) Innovative fibers: increase rPET, regenerated fibres	~12%	M/L
A4	Maximising energy efficiency	a) Optimise factory settings, reduce energy consumption in processes	~3%	H
A5	Minimised production & manufacturing wastage	a) Use of high-end designing software to draft patterns, repurpose fabric waste	~1%	M

B Brand operations

	Key lever	Example initiative (s)	Abatement estimate[1]	Accessibility
B1	Reduced over-production	a) Shift to slow fashion, efficient management of inventory through advanced forecasting tools, custom production	~5%	M
B2	Decarbonised retail operations	a) Improve packaging, minimise returns, improve energy mix and energy efficiency of retail operations	~4%	H
B3	Increase use of sustainable transport	a) Nearshoring – relocation of supply chain b) Shift in transport mix, electrification of commercial fleet	~2%	M/L

C Usage and end-of-use

	Key lever	Example initiative (s)	Abatement estimate[1]	Accessibility
C1	Reduced washing & drying	a) Promote consumer education around benefits of greener fashion, change washing / drying habits	~11%	H
C2	Increase circular business models	a) Increase use of rental models, increase use of re-commerce models developing local champions, promote repair & refurbishment	~7%	H
C3	Increased recycling & collection	a) Deploy recycling technologies at scale b) Establish collection and sorting infrastructure	~6%	M/L

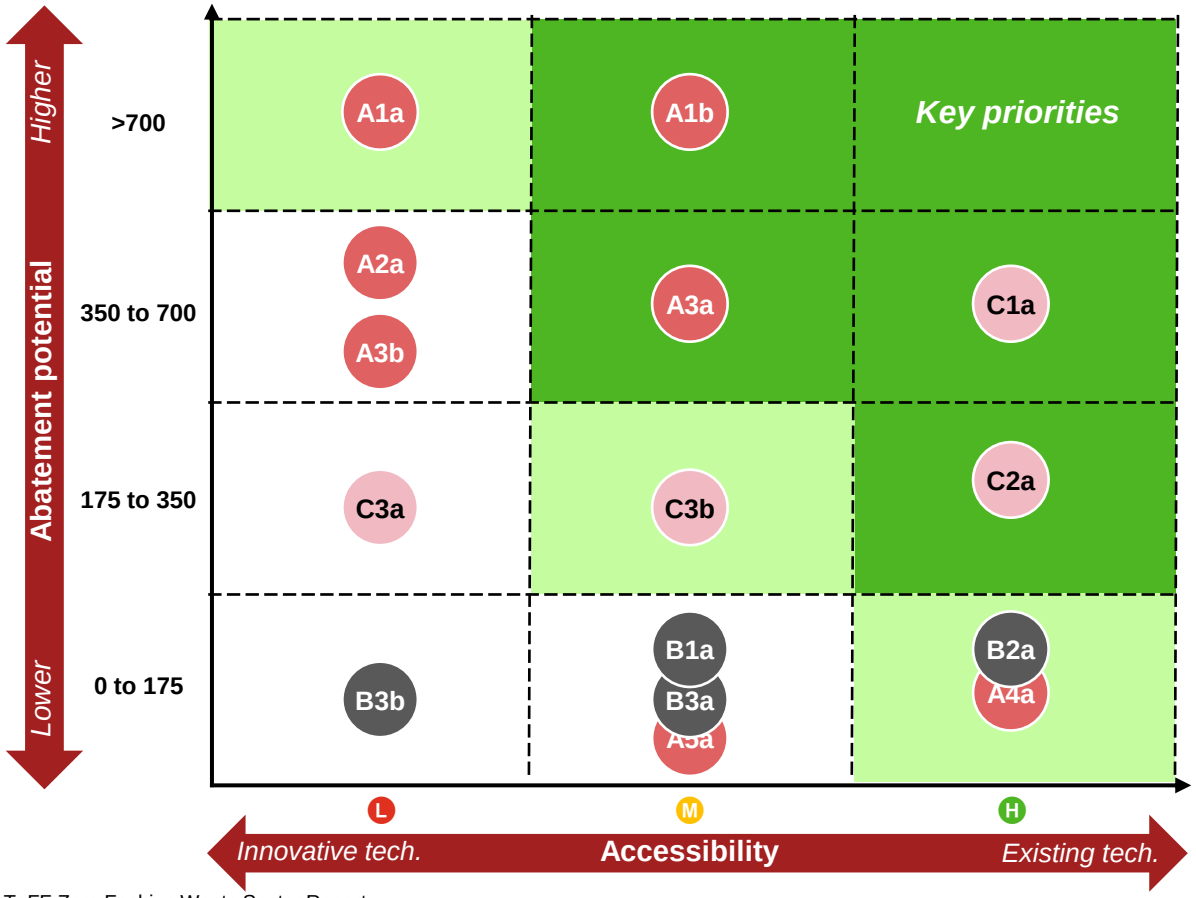
Note: 1) High-level estimate of CO2 abatement opportunity for Singapore. Percentages highlighted in brackets indicate the relative contribution of the specific lever to the total abatement opportunity.
Source: Expert interviews, Strategy& analyses, Global Fashion Agenda, Press search

Priority should be given to initiatives with highest abatement potential and accessibility (such as initiatives relying on existing technologies)

Indicative only

Abatement Potential Estimates vs Accessibility

In CO2Eq KTonnes vs Higher/Medium/Lower



Key initiatives compared	Abatement potential[1]	Accessibility	Key priorities
A1a: Generating on-grid RE power, purchase off-grid-RE	●	L	✓
A1b: Switch to alternative fuel sources (e.g. gas)	●	M	✓
A2a: Reduce wet pre-treatment, reduce wet dyeing and finishing	◕	L	
A3a: Growth in use of preferred cotton	◑	M	✓
A3b: Innovative fibers, increase rPET, regenerated fibers	◑	L	
A4a: Optimise factory settings, reduce energy consumption in processes	◔	H	✓
A5a: Use of high-end designing software to draft patterns, repurpose fabric waste	◔	M	
B1a: Shift to slow fashion, efficient management of inventory through advanced forecasting tools, custom production	◔	M	
B2a: Improved packaging, minimise returns, improve energy mix and energy efficiency of retail operations	◔	H	✓
B3a: Nearshoring – relocation of supply chain	◔	L	
B3b: Shift in transport mix, electrification of commercial fleet	◔	M	
C1a: Promote consumer education around benefits of greener fashion, change washing / drying habits	◕	H	✓
C2a: Increase use of rental models, increase use of re-commerce models developing local champions, promote repair & refurbishment	◑	H	✓
C3a: Deploy recycling technologies at scale	◑	L	
C3b: Establish collection and sorting infrastructure	◑	M	✓

Legend: ● >700 KT ◕ 350 to 700 KT ◑ 175 to 350 KT ◔ 0 to 175 KT

TaFF Zero Fashion Waste Sector Report

Note: 1) Based on estimated abatement potential range in KTonnes

Key success factor #1

Each company should tailor its sustainability strategy based on its brand's vision and competitive positioning, and monitor progress based on ESG reporting standards

ESG strategies and plans have to be crafted around the firm's goals and its stakeholders

- There is **no single ESG method** that works for all players within the fashion industry
- Each industry player has **different challenges and goals** which means different ESG strategies

- ESG strategies **involve more than internal stakeholders** – it includes **external stakeholders** such as customers, regulators, financiers and the broader society
- ESG strategies have to be **in synchronisation** with the society and its sustainable development goals

- Firms would then need to have a **complete transformation of company** to be **aligned with all functions and stakeholders of the company** through its **action plan**

Companies would need to identify their vision and understand their competitive differentiation as there is no single solution

Equip ESG leadership and raise awareness	• Create and **equip ESG leadership team with ESG knowledge** • Develop understanding of ESG's objectives and activities
Understanding Vision & Competitive Differentiation	• Identify their **vision and competitive differentiation**, based on the operational business model
Diagnosis	• **Map out where they sit within the value chain**, while **identifying the strategic priorities** Understand and estimate **possible environmental and social impacts**
Identify & Prioritise Action Levers	• Identify and prioritise **material topics (key action levers)** to work on, based on strategic priorities and constraints • Identify and engage **key stakeholders**
Implement Action Plan and monitor progress	• **Develop action plan** to cater to all stakeholders' needs and i**mplement action plan** • Review action plan with **adoption of reporting standards** and **conduct audits**

Key success factor #2

Companies should also refer to the "Waste Hierarchy" to rethink waste processes and prioritise actions that keeps textile waste out of landfills

The waste hierarchy ranks waste management options according to environmental impact, with top priority given to waste prevention and the least to disposal

Potential considerations to improve waste management process

Source: Department for Environment, Food and Rural Affairs UK

Key success factor #3

Active collaboration between the industry and the regulator will be a critical success factor to decarbonise the industry – WRAP example

Selected case study – UK WRAP

Overview

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Overview	• Waste And Resources Action Programme • Established in 2000, works with governments & businesses to achieve circularity & develop sustainable practices • Focus areas – F&B, Plastic packaging, Clothing & textiles, collections & recycling
Textile initiatives	• **Report publications & studies** – Launches industry-wide studies (e.g. environmental impact of clothing in UK) • **Retailer education** – Guides on improving re-using and re-cycling • **Consumer education** – "Love your Clothes" campaign • **Industry activation** – Formation of the Textile Action Network in UK

Selected landmark sustainability initiatives

1 Sustainable Clothing Action Plan (2012 –2020)

Refer to overleaf for more details

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The Sustainable Clothing Action Plan 2020 Commitment 2012–2020

Overview

- **NGO-led collaboration** to reduce environmental footprint of clothing in UK
- **Signatories** (>90 organisations, ~50% of UK clothing sales) **pledged** to achieve water, waste and carbon **reduction targets** through a range of initiatives (e.g. increase recycling)

Outcomes (against 2012 baseline)

Carbon footprint	Target: 15%	**Achieved: 21.6%**
Water footprint	Target: 15%	**Achieved: 18.2%**
Waste footprint	Target: 3.5%	**Achieved: 2.1%**

2 Textiles 2030 (UK Sustainable Textiles Action Plan)

Textiles 2030

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Overview

- Built on the SCAP, Textiles 2030 is a **10-year agreement** that aims to reduce **carbon footprint** in the UK textile market by **50%**
- Sets out a **clear roadmap** for signatories to implement to as to achieve targets set
- Funded by signatories and the government

Targets

- **50%** reduction in overall **carbon footprint** of products / services
- **30%** reduction in **water footprint** of products / services
- Design and implement more **circular practices** and models

TaFF has an opportunity to drive transformative industry-wide initiatives favouring circularity in SG, similar to UK's WRAP

Source: WRAP, Press search

Key success factor #4

The fashion industry is fragmented, with a long tail of SMEs. Embarking SMEs into the ESG transformation is another key success factor

Key bottlenecks identified for SMEs

Lack of ESG education and awareness (both defensive and offensive with changing consumer preferences)

Lack of understanding of ESG reporting frameworks and KPIs to track

Lack of resources for data collection and tools for ESG reporting

Lack of specialised resources and talent on ESG topic

Lack of access to sustainable financing and grants

Lack of support and access to Tier 1 ESG certifications for garment manufacturers

Lack of understanding of sustainable supply chain best practices

Lack of volumes to meet MOQ requirements for sustainable material procurement

"A lot of brands in Singapore have insufficient knowledge on ESG – they are unsure of what it takes to be labelled as a sustainable brand and what are the steps needed to get there."

- CEO, Local champion, Singapore

"Smaller brands lack the economies of scale to procure sustainable materials at a commercially viable price, pricing for their volumes is higher."

- CEO, Large garment manufacturer, Singapore

Thank you

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